

## MINUTES

California Health Facilities Financing Authority  
("CHFFA")  
October 27, 2011  
915 Capitol Mall, Room 587  
Sacramento, California 95814

### Alternate Location for CHFFA Teleconference Participation

Sablan Medical Clinic  
927 "O" Street  
Firebaugh, CA 93622

Bettina Redway, Chairperson called the meeting to order at 1:45 P.M.

#### Roll Call

Members Present: Bettina Redway for Bill Lockyer, State Treasurer  
Dave O'Toole for John Chiang, Controller's Office  
Jennifer Rockwell for Ana J. Matosantos, Department of Finance  
Ronald Joseph  
Judith Frank  
Ann Madden Rice  
Dr. Oscar Sablan – Teleconference

Member Absent: Jack Buckhorn  
Samuel Qiu

Chairperson Redway declared a quorum present.

#### Approval of the Minutes from the September 29, 2011 Meeting

Mr. O'Toole moved for approval of the minutes and Ms. Frank seconded the motion. The minutes were unanimously approved with a 7-aye roll call vote.

#### Executive Director's Report (Information Item)

Ms. Liebert submitted all fund balances for the record as of September 30, 2011 and then shared a list of CHFFA's top 12 borrowers and the CHFFA Meeting Schedule for 2012. Ms. Liebert also reported that no actions were taken pursuant to the delegation resolution over the course of the past month. Ms. Liebert then advised the board that the two HELP II borrowers who had fallen behind in their payments have been current in their revised payment plan. Ms. Liebert also informed the board that another HELP II borrower would soon be referred to STO's legal counsel to initiate formal discussions concerning their delinquencies. Ms. Liebert indicated staff would keep the board apprised as to their status in the coming months. CHFFA draft logos were then distributed to the board members for their consideration.

#### Item #4 Catholic Healthcare West and Certain Affiliated Corporations, Resolution No. 372

Yassar Dahbour, Staff Analyst, introduced Robyn Helmlinger, Bond Counsel, Sidley Austin, LLP; Jong Choi, Senior Debt Analyst of Catholic Healthcare West; and Jullia Quazi, Placement Agent from BMO Capital Markets.

Bond proceeds will be used by Catholic Healthcare West to current refund Series 2009 B, C and G Bonds Series that were used to finance and/or refinance certain projects at the facilities of the Obligated Group Members. This refunding may result in a net present value saving of approximately \$10.1 million.

Staff recommended the Authority approve Resolution Number 372 for Catholic Healthcare West in an amount not to exceed \$140,000,000 subject to the conditions in the Resolution, including a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concurred in the Authority's staff recommendation.

Chairperson Redway asked if there were any questions from the board members or comments from the public. There were none.

Ms. Madden Rice moved approval of Resolution Number 372 and Mr. Joseph seconded the motion. The Resolution was adopted with a 7-aye roll call vote.

**Item #5** **Cedars-Sinai Medical Center, Resolution No. 373**

Paul Dulai, Staff Analyst, introduced Ed Prunchunas, Vice President & CFO of Cedars-Sinai Medical Center, John Woodward, Underwriter, Bank of America Merrill Lynch, and Jenna Magan, Bond Counsel, Orrick, Herrington & Sutcliffe. Bond proceeds will be used to refund California Health Facilities Financing Authority Series 1997A and 1997B Bonds. The Series 1997A and 1997B bond proceeds were used to finance and refinance various capital projects, and to finance related issuance and insurance costs.

Staff recommended the Authority approve Resolution Number 373 for Cedars-Sinai Medical Center in an amount not to exceed \$165,000,000 subject to the conditions in the resolution, including a bond rating of at least investment grade by a nationally recognized rating agency. Macias Gini & O'Connell, LLP, the Authority's financial analyst, and Public Financial Management, the Authority's financial advisor, concurred in the Authority's staff recommendation.

Mr. Dulai explained that staff's report to the board was based on the FYs 2007, 2008 and 2009 audited financial statements, but that Cedars recently authorized and provided its FY 2010 audited financial statements. Mr. Dulai related that his review of the FY 2010 audited financials showed improved the financial ratios.

Mr. Dulai also noted a correction for the proposed resolution. Specifically, one section of the resolution refers to the "Cedars-Sinai Medical Facility" which should instead read "Cedars-Sinai Medical Center." Ms. Liebert commented that the new version of the resolution had been circulated to the board members so that the board members can see the track changes. Also distributed was a comparison of the FY 2009 and FY 2010 audited financials.

Mr. O'Toole thanked Cedars-Sinai Medical Center for returning to the Authority. The State Controller's Office was also pleased to be provided with the updated financials.

Ms. Frank commented on the magnitude of savings as the results of refunding.

Ms. Redway asked if there were any comments from the public. There were none.

Ms. Madden Rice moved approval of Resolution Number 373 and Mr. O'Toole seconded the motion. The Resolution was adopted with a 7-aye roll call vote.

**Item #6** **Interim Inc., Resolution No. HII-266**

Michael Tang, Staff Analyst, introduced Kate Spacher, Deputy Director and Palitha Weerasekera, Director of Finance, from Interim Inc. Loan proceeds will be used to refinance two existing National Corporate Bank (NCB) loans used for (1) development and construction costs of Interim's "Manzanita House," and (2) bridge financing construction loans, which together have a combined balance of approximately \$822,000. Interim plans to use internal funds to pay-off the remaining balance for the two NCB loans and the remaining balance of the HELP II loan to enable Interim to borrow the maximum HELP II loan amount of \$750,000.

